NCA
VOC FOR IOP/FN
BACKGROUNDER NO. 1-0725 MAY 6, 1976
DOLPH HAERING/MUNICH

MOSCOW'S MULTI-NATIONAL CORPORATIONS

ANNCR:

A NINE-DAY INTERNATIONAL CONFERENCE, EXAMINING THE IMPACT OF MULTI-NATIONAL COMPANIES ON THE INDUSTRIAL WORLD, IS BEING HELD AT THE GENEVA HEADQUARTERS OF THE INTERNATIONAL LABOR ORGANIZATION, FOR A REPORT ON THE SOVIET UNION'S LITTLE-KNOWN ACTIVITIES IN THE FIELD OF MULTI-NATIONAL COMPANIES, HERE IS VOA'S DOLPH HAERING.

VOICE:

INTERNATIONAL COMMUNIST TRADE AND LABOR ORGANIZATIONS HAVE BEEN CONDUCTING EXTENSIVE PROPAGANDA CAMPAIGNS AGAINST MULTI-NATIONAL INDUSTRIAL AND TRADE COMPANIES OF THE WESTERN WORLD. THIS CRITICISM, SAYS THE SWISS ECONOMIC WEEKLY "HANDELSZEITUNG", COULD BOOMERANG FOR MOSCOW, INASMUCH AS THERE IS AN INCREASING SIMILARITY BETWEEN THE WESTERN MULTI-NATIONALS AND THE ECONOMIC ENTERPRISES ESTABLISHED WITH SOVIET CAPITAL IN THE WESTERN AND THIRD WORLD.

ACCORDING TO THE SWISS WEEKLY, THERE ARE BY NOW ABOUT FORTY SOVIET COMPANIES IN THE WEST, ESTABLISHED IN THE PATTERN OF "MULTI-NATIONAL OR SUPRA-NATIONAL" ENTERPRISES. THESE COMPANIES CONFORM TO THE REGULATIONS OF THEIR HOST COUNTRIES AND RECRUIT THEIR LABOR FORCE LOCALLY. BUT THE MAJORITY OF STOCKS IS IN SOVIET HANDS, AND THE MANAGEMENT BOARD MEMBERS ARE PRIMARILY SOVIET CITIZENS.

SOME OF THE LARGEST SOVIET MULTI-NATIONAL CORPORATIONS ARE LOCATED IN BELGIUM, SELLING SOVIET CHEMICAL PRODUCTS, FERTILIZERS, COMPUTERS, AND MINERAL OIL. BY SELLING SOVIET

PRODUCTS DIRECTLY ON WESTERN MARKETS, THESE MULTI-NATIONAL COMPANIES MAKE MORE PROFITS FOR THE SOVIET UNION IN HARD CURRENCIES THAN IF THEY WERE SOLD THROUGH EXPORT CHANNELS.

"HANDELSZEITUNG" SAYS THAT SINCE THE EARLY NINETEEN SIXTIES, THE SOVIET UNION HAS BEEN EXPANDING THESE COMPANIES AND INCREASING THEIR NUMBER, PRIMARILY IN SUCH FIELDS AS BANKING, INSURANCE, AND THE SHIPPING INDUSTRY. THE "MOSCOW NARODNY BANK" IN LONDON, IT NOTES, IS NOT ONLY FINANCING EAST-WEST TRADE, BUT ALSO OFFERS DEVELOPING COUNTRIES LARGE CREDITS FOR WESTERN EXPORTS.

ESTABLISHED ALONG THE LINES OF MULTI-NATIONAL CORPORATIONS, SOVIET-CONTROLLED BANKS IN PARIS, ZURICH, FRANKFURT, VIENNA AND LUXEMBOURG ARE ACTIVE ON THE EUROPEAN CURRENCY AND CREDIT MARKETS. THE SOVIET UNION HAS ALSO BEGUN TO PENETRATE THE MONEY MARKETS IN THE MIDEAST AND ASIA. THE SOVIET UNION IS ALSO SAID TO CONTROL SHIPPING COMPANIES IN TOKYO, VANCOUVER ANTWERP, ROTTERDAM, LONDON AND SINGAPORE, ALL OF WHICH ARE OPERATED ALONG THE LINES OF A MULTI-NATIONAL CORPORATION.

SINCE THE EARLY SIXTIES, THE SOVIET UNION HAS REPORTEDLY ESTABLISHED MORE THAN TWENTY MULTI-NATIONAL ENTERPRISES IN DEVELOPING COUNTRIES, PARTICULARLY IN AFRICA, ENABLING MOSCOW TO TAKE ADVANTAGE OF LOCAL RESOURCES AND MANPOWER AT LOW COSTS.

JS/PY